

## **Republicans Cut Health Care for Poor Mothers and Children to Finance More Tax Cuts for the Rich**

- H.R. 4241, the House Republican Budget Package reported out of the Budget Committee, calls for \$53.9 billion in mandatory spending cuts, with \$11.8 billion coming out of Medicaid. The Republican package hurts the poorest of the poor, taking away needed healthcare services and raising costs for the most vulnerable.
- At the same time, the bill calls for \$106 billion in new tax cuts. Households with incomes of more than \$1 million a year – the richest 0.2 percent of the U.S. population – are already receiving tax cuts averaging \$103,000 this year, and will receive another \$20,000 a year in tax cuts when measures coming in January are fully phased-in. And nearly all (97 percent) of the new measures benefit households earning over \$200,000 a year.<sup>1</sup>
- The bill includes Medicaid cuts that shift more financial burdens onto individuals living with disabilities, pregnant women, working mothers, children, and poor elderly while giving billions more to the richest of the rich American families.

### ***Republicans Stand By As Working Families Get Poorer.***

- The deficit continues to increase while more Americans lose health insurance and slip into poverty. The number of Americans without health insurance was at an all-time high in 2004 – an increase of 800,000 people from the preceding year. Six million more people lacked health insurance in 2004 than in 2000. Medicaid and SCHIP coverage largely protected children from this sobering downturn.<sup>2</sup> According to the most recent U.S. Census data, the number of people who work but live in poverty increased by 563,000 and median income among the working age population fell by 1.2 percent. Four million more people were poor in 2004 than in 2001.<sup>3</sup>

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<sup>1</sup> Center on Budget and Policy Priorities, New Tax Cuts Primarily Benefitting Millionaires Slated to Take Effect In January, September 19, 2005.

<sup>2</sup> Center on Budget and Policy Priorities, The Number of Uninsured Americans Continued to Rise in 2004, August 30, 2005.

<sup>3</sup> Center on Budget and Policy Priorities, Economic Recovery Failed to Benefit Much of the Population in 2004, August 30, 2005.

- The Republican budget reconciliation package actually increases the deficit by \$35 billion as a result of continued giveaways to the richest Americans. And the Republicans are now insisting on even deeper cuts to the poorest of the poor, rather than offering any help.

***Cuts Will Fund Tax Cuts for the Wealthy, Not Hurricane Victims.***

- Some have argued that deeper cuts to Medicaid are necessary to offset emergency relief for victims of Hurricane Katrina. The cost over the next five years of recent tax cuts enacted in 2001 and 2003 will be \$1.77 trillion (assuming those expiring in 2010 are extended). This is more than seven times the anticipated cost of the hurricanes. The offsets proposed by the Republicans disproportionately fall on basic assistance programs for the poor – in other words, cutting programs that now-destitute hurricane victims are most likely to need. Moreover, Congress has recently approved various supplementals to fund operations in Iraq, as well as tax cuts, which have not been offset. Suggesting deeper reconciliation cuts to finance hurricane aid is a step towards the even more draconian cuts outlined in the House Republicans' initial budget resolution this year.